

TELEFONOS DE MEXICO S A DE C V
Form 6-K
February 04, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of February 2005

Commission File Number: 333-13580

Teléfonos de México, S.A. de C.V.

(Exact Name of the Registrant as Specified in the Charter)

Telephones of Mexico

(Translation of Registrant's Name into English)

Parque Vía 190

Colonia Cuauhtémoc

México City 06599, México, D.F.

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F....

.....Form 40-F.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No... ..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

TELÉFONOS DE MÉXICO, S.A. DE C.V.

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

I N D E

X

FS-01 CONSOLIDATED BALANCE SHEETS, AT DECEMBER 31, 2004 & 2003

FS-02 CONSOLIDATED BALANCE SHEETS - BREAKDOWN OF MAIN CONCEPTS -

FS-03 CONSOLIDATED BALANCE SHEETS - OTHER CONCEPTS -

FS-04 CONSOLIDATED STATEMENTS OF INCOME FROM OCTOBER 01 TO DECEMBER 31, 2004 & 2003

FS-05 CONSOLIDATED STATEMENTS OF INCOME - BREAKDOWN OF MAIN CONCEPTS -

FS-06 CONSOLIDATED STATEMENTS OF INCOME - OTHER CONCEPTS -

FS-07 CONSOLIDATED STATEMENTS OF INCOME FROM OCTOBER 01 TO DECEMBER 31, 2004 & 2003

FS-08 CONSOLIDATED STATEMENTS OF INCOME, FOURTH QUARTER - BREAKDOWN OF MAIN CONCEPTS -

FS-09 CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION FROM OCTOBER 01 TO DECEMBER 31, 2004 & 2003

FS-10 CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION - BREAKDOWN OF MAIN CONCEPTS -

FI-01 RATIOS - CONSOLIDATED INFORMATION

FI-02 DATA PER SHARE - CONSOLIDATED INFORMATION

ANNEX 1.- CHIEF EXECUTIVE OFFICER REPORT

ANNEX 2.- NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ANNEX 3.- SHARE INVESTMENTS

ANNEX 5.- CREDITS BREAKDOWN

ANNEX 6.- FOREING EXCHANGE MONETARY POSITION

ANNEX 7.- CALCULATION OF MONETARY POSITION

ANNEX 8.- BONDS AND/OR MEDIUM-TERM NOTES LISTED IN STOCK MARKET

ANNEX 9.- PLANTS, - COMMERCIAL, DISTRIBUTION AND/OR SERVICE CENTERS-

ANNEX 10.- RAW MATERIALS

ANNEX 11.- DOMESTIC SALES - MAIN SERVICES -

ANNEX 11b.- FOREIGN SALES - MAIN SERVICES -

ANNEX 13.- PROJECT INFORMATION

ANNEX 14.- TRANSACTIONS IN FOREIGN CURRENCY AND EXCHANGE OF FINANCIAL STATEMENTS FROM FOREIGN OPERATIONS

INTEGRATION OF PAID CAPITAL STOCK

GENERAL INFORMATION

BOARD OF DIRECTORS

DECLARATION BY THE COMPANY'S OFFICERS THAT ARE RESPONSIBLE FOR THE INFORMATION

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31, 2004 & 2003

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---------------------------------|--------------------------------------|--------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 1 | TOTAL ASSETS | 253,308,405 | 100 |
| 2 | CURRENT ASSETS | 60,411,770 | 24 | 41,681,511 | 21 |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 20,499,003 | 8 | 10,717,647 | 5 |
| 4 | ACCOUNTS RECEIVABLE, NET | 24,530,998 | 10 | 17,677,290 | 9 |
| 5 | OTHER ACCOUNTS RECEIVABLE, NET | 5,887,859 | 2 | 2,781,623 | 1 |
| 6 | INVENTORIES | 1,355,505 | 1 | 945,367 | 0 |

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| | | | | | |
|----|--|-------------|-----|-------------|-----|
| 7 | OTHER CURRENT ASSETS | 8,138,405 | 3 | 9,559,584 | 5 |
| 8 | LONG - TERM | 793,599 | 0 | 876,634 | 0 |
| 9 | ACCOUNTS RECEIVABLE, NET | 0 | 0 | 0 | 0 |
| 10 | INVESTMENT IN SHARES OF SUBSIDIARIES AND AFFILIATES NON-CONSOLIDATED | 732,663 | 0 | 726,718 | 0 |
| 11 | OTHER INVESTMENTS | 60,936 | 0 | 149,916 | 0 |
| 12 | PLANT, PROPERTY AND EQUIPMENT, NET | 151,988,780 | 60 | 127,344,984 | 65 |
| 13 | PROPERTY | 0 | 0 | 0 | 0 |
| 14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 412,351,970 | 163 | 315,612,653 | 162 |
| 15 | OTHER EQUIPMENTS | 0 | 0 | 0 | 0 |
| 16 | ACCUMULATED DEPRECIATION | 264,166,228 | 104 | 189,156,079 | 97 |
| 17 | CONSTRUCTIONS IN PROGRESS | 3,803,038 | 2 | 888,410 | 0 |
| 18 | DEFERRED ASSETS, NET | 12,305,635 | 5 | 703,477 | 0 |
| 19 | OTHER ASSETS | 27,808,621 | 11 | 24,796,433 | 13 |
| | | | | | |
| 20 | TOTAL LIABILITIES | 145,480,706 | 100 | 111,619,833 | 100 |
| | | | | | |
| 21 | CURRENT LIABILITIES | 48,807,786 | 34 | 39,175,104 | 35 |
| 22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| 23 | BANK LOANS | 12,344,448 | 8 | 11,753,963 | 11 |
| 24 | STOCK MARKET LOANS | 850,000 | 1 | 9,559,635 | 9 |
| 25 | TAXES PAYABLE | 7,264,015 | 5 | 1,325,322 | 1 |
| 26 | OTHER CURRENT LIABILITIES | 28,349,323 | 19 | 16,536,184 | 15 |
| 27 | LONG - TERM LIABILITIES | 76,846,696 | 53 | 50,928,961 | 46 |
| 28 | BANK LOANS | 42,084,696 | 29 | 13,544,435 | 12 |
| 29 | STOCK MARKET LOANS | 34,762,000 | 24 | 37,384,526 | 33 |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 31 | DEFERRED CREDITS | 18,101,652 | 12 | 21,515,768 | 19 |
| 32 | OTHER LIABILITIES | 1,724,572 | 1 | 0 | 0 |
| | | | | | |
| 33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 107,827,699 | 100 | 83,783,206 | 100 |
| | | | | | |
| 34 | MINORITY INTEREST | 13,957,810 | 13 | 0 | 0 |
| 35 | MAJORITY INTEREST | 93,869,889 | 87 | 83,783,206 | 100 |

| | | | | | |
|----|---|--------------|------|--------------|------|
| 36 | CONTRIBUTED CAPITAL | 46,753,772 | 43 | 41,131,532 | 49 |
| 37 | CAPITAL STOCK (NOMINAL) | 295,811 | 0 | 302,730 | 0 |
| 38 | RESTATEMENT OF CAPITAL STOCK | 27,706,007 | 26 | 28,825,270 | 34 |
| 39 | PREMIUM ON SALES OF SHARES | 18,751,954 | 17 | 12,003,532 | 14 |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| 41 | CAPITAL INCREASE (DECREASE) | 47,116,117 | 44 | 42,651,674 | 51 |
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE | 85,840,002 | 80 | 83,132,693 | 99 |
| 43 | RESERVE FOR REPURCHASE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENT OF STOCKHOLDERS' EQUITY | (66,220,486) | (61) | (64,095,925) | (77) |
| 45 | NET INCOME | 27,496,601 | 26 | 23,614,906 | 28 |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|--|--------------------------------------|----------------------------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 3 | CASH AND SHORT- TERM INVESTMENTS | 20,499,003 | 100 |
| 46 | CASH | 1,093,127 | 5 | 1,144,609 | 11 |
| 47 | SHORT-TERM INVESTMENTS | 19,405,876 | 95 | 9,573,038 | 89 |
| 18 | DEFERRED ASSETS, NET | 12,305,635 | 100 | 703,477 | 100 |
| 48 | AMORTIZED OR REDEEMED EXPENSES | 3,193,161 | 26 | 617,395 | 88 |
| 49 | GOODWILL | 3,782,899 | 31 | 86,082 | 12 |
| 50 | DEFERRED TAXES | 5,329,575 | 43 | 0 | 0 |
| 51 | OTHERS | 0 | 0 | 0 | 0 |
| 21 | CURRENT LIABILITIES | 48,807,786 | 100 | 39,175,104 | 100 |
| 52 | FOREIGN CURRENCY LIABILITIES | 11,544,448 | 24 | 19,945,518 | 51 |
| 53 | MEXICAN PESOS LIABILITIES | 37,263,338 | 76 | 19,229,586 | 49 |
| 24 | STOCK MARKET SHORT-TERM SECURITIES | 850,000 | 100 | 9,559,635 | 100 |
| 54 | COMMERCIAL PAPER | 0 | 0 | 0 | 0 |
| 55 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| 56 | CURRENT MATURITIES OF SECURITIES | 850,000 | 100 | 9,559,635 | 100 |
| 26 | OTHER CURRENT LIABILITIES | 28,349,323 | 100 | 16,536,184 | 100 |
| 57 | OTHER CURRENT LIABILITIES WITH COST | 0 | 0 | 0 | 0 |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST | 28,349,323 | 100 | 16,536,184 | 100 |
| 27 | LONG - TERM LIABILITIES | 76,846,696 | 100 | 50,928,961 | 100 |
| 59 | FOREIGN CURRENCY LIABILITIES | 69,746,696 | 91 | 43,092,306 | 85 |
| 60 | MEXICAN PESOS LIABILITIES | 7,100,000 | 9 | 7,836,655 | 15 |
| 29 | STOCK MARKET LONG-TERM SECURITIES | 34,762,000 | 100 | 37,384,526 | 100 |
| 61 | BONDS | 34,762,000 | 100 | 37,384,526 | 100 |

| | | | | | |
|----|--|--------------|------|--------------|------|
| 62 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| | | | | | |
| | OTHER LOANS | 0 | 100 | 0 | 100 |
| 63 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| 64 | OTHER LOANS WITHOUT COST | 0 | 0 | 0 | 0 |
| | | | | | |
| 31 | DEFERRED CREDITS | 18,101,652 | 100 | 21,515,768 | 100 |
| 65 | GOODWILL | 0 | 0 | 0 | 0 |
| 66 | DEFERRED TAXES | 18,101,652 | 100 | 21,515,768 | 100 |
| 67 | OTHERS | 0 | 0 | 0 | 0 |
| | | | | | |
| 32 | OTHER LIABILITIES | 1,724,572 | 100 | 0 | 100 |
| 68 | RESERVES | 1,724,572 | 100 | 0 | 0 |
| 69 | OTHERS LIABILITIES | 0 | 0 | 0 | 0 |
| | | | | | |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENTS OF STOCKHOLDERS' EQUITY | (66,220,486) | 100 | (64,095,925) | 100 |
| 70 | ACCUMULATED MONETARY POSITION INCOME | (13,591,711) | (21) | (13,591,711) | (21) |
| 71 | RESULT FROM HOLDING NON-MONETARY ASSETS | (52,628,775) | (79) | (50,504,214) | (79) |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousand Pesos)

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--------------------------------------|--|
| | | Amount | Amount |
| 72 | WORKING CAPITAL | 11,603,984 | 2,506,407 |
| 73 | PENSIONS FUND AND SENIORITY PREMIUMS | 1,724,572 | 0 |
| 74 | EXECUTIVES (*) | 121 | 133 |
| 75 | EMPLOYEES (*) | 24,620 | 11,337 |
| 76 | WORKERS (*) | 51,942 | 50,633 |
| 77 | OUTSTANDING SHARES (*) | 11,832,452,155 | 12,109,205,252 |
| 78 | REPURCHASE OF OWN SHARES (*) | 709,542,600 | 672,214,910 |
| | | | |
| | | | |
| (*) | THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS. | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM OCTOBER 01 TO DECEMBER 31, 2004 & 2003 -

(Thousand Pesos)

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|-----------------------|-----|------------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 138,801,957 | 100 | 122,912,368 | 100 |
| 2 | COST OF SALES AND SERVICES | 73,027,440 | 53 | 62,989,632 | 51 |
| 3 | GROSS INCOME | 65,774,517 | 47 | 59,922,736 | 49 |
| 4 | OPERATING COSTS | 22,118,624 | 16 | 18,141,084 | 15 |
| 5 | OPERATING INCOME | 43,655,893 | 31 | 41,781,652 | 34 |
| 6 | COMPREHENSIVE FINANCING COST | 521,493 | 0 | 4,472,314 | 4 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 43,134,400 | 31 | 37,309,338 | 30 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 43,134,400 | 31 | 37,309,338 | 30 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 15,184,218 | 11 | 13,506,467 | 11 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 27,950,182 | 20 | 23,802,871 | 19 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (114,856) | 0 | (187,965) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 27,835,326 | 20 | 23,614,906 | 19 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 27,835,326 | 20 | 23,614,906 | 19 |
| 16 | EXTRAORDINARY ITEMS NET EXPENDITURES (REVENUES) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET INCOME | 27,835,326 | 20 | 23,614,906 | 19 |
| 19 | MINORITY INTEREST | 338,725 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 27,496,601 | 20 | 23,614,906 | 19 |
| | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-05

CONSOLIDATED STATEMENTS OF INCOME

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|-----------------------|-------|------------------------|------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 138,801,957 | 100 | 122,912,368 | 100 |
| 21 | DOMESTIC | 120,513,660 | 87 | 120,467,161 | 98 |
| 22 | FOREIGN | 18,288,297 | 13 | 2,445,207 | 2 |
| 23 | TRANSLATION INTO DOLLARS (***) | 1,623,491 | 1 | 210,632 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 521,493 | 100 | 4,472,314 | 100 |
| 24 | INTEREST EXPENSE | 6,378,483 | 1,223 | 6,059,381 | 135 |
| 25 | EXCHANGE LOSS | 0 | 0 | 3,295,569 | 74 |
| 26 | INTEREST INCOME | 2,981,301 | 572 | 3,144,931 | 70 |
| 27 | EXCHANGE GAIN | 26,119 | 5 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (2,849,570) | (546) | (1,737,705) | (39) |
| 42 | RESTATEMENT OF UDIS'S LOSS | 0 | 0 | 0 | 0 |
| 43 | RESTATEMENT OF UDIS'S PROFIT | 0 | 0 | 0 | 0 |
| | | | | | |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 100 | 0 | 100 |
| 29 | OTHER INCOME AND EXPENSES, NET | 0 | 0 | 0 | 0 |
| 30 | LOSS (PROFIT) ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| | | | | | |

| | | | | | |
|-------|--|-------------|------|------------|-----|
| 31 | LOSS (PROFIT) ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| 10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 15,184,218 | 100 | 13,506,467 | 100 |
| 32 | INCOME TAX | 15,076,089 | 99 | 10,143,850 | 75 |
| 33 | DEFERRED INCOME TAX | (2,714,066) | (18) | 643,248 | 5 |
| 34 | EMPLOYEE PROFIT SHARING | 2,822,195 | 19 | 2,719,369 | 20 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |
| (***) | THOUSAND DOLLARS | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousand Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|-------------------------|--------------------------------------|--|
| | | Amount | Amount |
| 36 | TOTAL REVENUES | 138,801,956 | 122,912,367 |
| 37 | NET INCOME | 0 | 0 |
| 38 | OPERATING REVENUES (**) | 138,801,957 | 122,912,368 |

| | | | |
|------|---------------------------------------|------------|------------|
| 39 | OPERATING INCOME (**) | 43,655,893 | 41,781,652 |
| 40 | NET INCOME OF MAJORITY INTEREST (**) | 27,496,601 | 23,614,906 |
| 41 | NET INCOME (**) | 27,835,326 | 23,614,906 |
| | | | |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED STATEMENTS OF INCOME

- FROM OCTOBER 01 TO DECEMBER 31, 2004 & 2003 -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|--|--------------------------------------|--------------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 1 | OPERATING REVENUES | 40,800,609 | 100 |
| 2 | COST OF SALES AND SERVICES | 21,817,439 | 53 | 16,135,894 | 51 |
| 3 | GROSS INCOME | 18,983,170 | 47 | 15,609,278 | 49 |
| 4 | OPERATING COST | 6,630,549 | 16 | 4,452,582 | 14 |
| 5 | OPERATING INCOME | 12,352,621 | 30 | 11,156,696 | 35 |
| 6 | COMPREHENSIVE FINANCING COST | (1,185,221) | (3) | 1,378,208 | 4 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 13,537,842 | 33 | 9,778,488 | 31 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |

| | | | | | |
|----|---|------------|----|-----------|----|
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 13,537,842 | 33 | 9,778,488 | 31 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 2,757,548 | 7 | 3,863,894 | 12 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 10,780,294 | 26 | 5,914,594 | 19 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (38,541) | 0 | (40,917) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 10,741,753 | 26 | 5,873,677 | 19 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 10,741,753 | 26 | 5,873,677 | 19 |
| 16 | EXTRAORDINARY ITEMS NET EXPENDITURES (REVENUES) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET INCOME | 10,741,753 | 26 | 5,873,677 | 19 |
| 19 | MINORITY INTEREST | 315,031 | 1 | 0 | 0 |
| 20 | MAJORITY INTEREST | 10,426,722 | 26 | 5,873,677 | 19 |
| | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-08

CONSOLIDATED STATEMENTS OF INCOME, FOURTH QUARTER

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----------|---|-----------------------|-------|------------------------|------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 40,800,609 | 100 | 31,745,172 | 100 |
| 21 | DOMESTIC | 30,614,441 | 75 | 30,747,476 | 97 |
| 22 | FOREIGN | 10,186,168 | 25 | 997,696 | 3 |
| 23 | TRANSLATION INTO DOLLARS (***) | 925,856 | 2 | 83,230 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | (1,185,221) | 100 | 1,378,208 | 100 |
| 24 | INTEREST EXPENSE | 1,863,758 | 157 | 1,348,954 | 98 |
| 25 | EXCHANGE LOSS | 0 | 0 | 1,020,568 | 74 |
| 26 | INTEREST INCOME | 1,239,704 | 105 | 388,727 | 28 |
| 27 | EXCHANGE GAIN | 462,541 | 39 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (1,346,734) | (114) | (602,587) | (44) |
| 42 | RESTATEMENT OF UDI'S LOSS | 0 | 0 | 0 | 0 |
| 43 | RESTATEMENT OF UDI'S PROFIT | 0 | 0 | 0 | 0 |
| | | | | | |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 100 | 0 | 100 |
| 29 | OTHER INCOME AND EXPENSES, NET | 0 | 0 | 0 | 0 |
| 30 | LOSS (PROFIT) ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 31 | LOSS (PROFIT) ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| | | | | | |
| 10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 2,757,548 | 100 | 3,863,894 | 100 |
| 32 | INCOME TAX | 4,179,422 | 152 | 2,031,063 | 53 |
| 33 | DEFERRED INCOME TAX | (2,224,436) | (81) | 1,011,111 | 26 |
| 34 | EMPLOYEE PROFIT SHARING | 802,562 | 29 | 821,720 | 21 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |
| (***) | THOUSANDS OF DOLLARS | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-09

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM OCTOBER 01 TO DECEMBER 31, 2004 & 2003 -

(Thousand Pesos)

Final printing

| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|--|---|
| | | Amount | Amount |
| 1 | NET INCOME | 27,835,326 | 23,614,906 |
| 2 | ADD (DEDUCT) ITEMS NOT REQUIRING THE USE OF RESOURCES | 20,348,237 | 22,598,642 |
| 3 | CASH FLOW FROM NET INCOME FOR THE YEAR | 48,183,563 | 46,213,548 |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | 12,325,899 | (12,580,272) |
| 5 | RESOURCES PROVIDED BY OPERATING ACTIVITIES | 60,509,462 | 33,633,276 |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | 1,386,717 | (92,163) |
| 7 | CASH FLOW FROM OWN FINANCING | (14,723,225) | (20,044,823) |
| 8 | RESOURCES PROVIDED BY FINANCING ACTIVITIES | (13,336,508) | (20,136,986) |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (37,487,127) | (16,731,942) |
| 10 | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS | 9,685,827 | (3,235,652) |
| 11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD | 10,813,176 | 13,953,299 |

| | | | |
|----|--|------------|------------|
| 12 | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD | 20,499,003 | 10,717,647 |
| | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-10

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--|---|
| | | Amount | Amount |
| 2 | ADD (DEDUCT) ITEMS NOT REQUIRING THE USE OF RESOURCES | 20,348,237 | 22,598,642 |
| 13 | (+)DEPRECIATION AND AMORTIZATION FOR THE YEAR | 22,947,443 | 21,767,427 |
| 14 | +(-) NET INCREASE (DECREASE) IN PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| 15 | +(-) NET LOSS (PROFIT) IN MONEY EXCHANGE | 0 | 0 |
| 16 | +(-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION | 0 | 0 |
| 17 | +(-) OTHER ITEMS | 0 | 0 |
| 40 | | (2,599,206) | 831,215 |

| | | | |
|----|---|--------------|--------------|
| | (+) OTHER ITEMS NOT CONSIDERED FOR EBITDA CALCULATION | | |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | 12,325,899 | (12,580,272) |
| 18 | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE | (775,232) | 1,163,833 |
| 19 | +(-) DECREASE (INCREASE) IN INVENTORIES | (332,569) | 284,775 |
| 20 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS | 4,380,620 | (8,016,986) |
| 21 | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT | 0 | 0 |
| 22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | 9,053,080 | (6,011,894) |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | 1,386,717 | (92,163) |
| 23 | + SHORT-TERM BANK FINANCING AND DEBT SECURITIES | 47,520,761 | 37,301,415 |
| 24 | + LONG-TERM BANK FINANCING AND DEBT SECURITIES | 377,782 | 0 |
| 25 | + DIVIDEND RECEIVED | 0 | 0 |
| 26 | + OTHER FINANCING | 0 | 1,958,878 |
| 27 | (-) BANK FINANCING AMORTIZATION | (36,197,499) | (38,281,909) |
| 28 | (-) DEBT SECURITIES AMORTIZATION | (5,662,050) | (1,070,547) |
| 29 | (-) OTHER FINANCING AMORTIZATION | (4,652,277) | 0 |
| 7 | CASH FLOW FROM OWN FINANCING | (14,723,225) | (20,044,823) |
| 30 | +(-) INCREASE (DECREASE) IN CAPITAL STOCK | (1,126,184) | (1,157,984) |
| 31 | (-) DIVIDENDS PAID | (8,144,246) | (8,018,201) |
| 32 | + PREMIUM ON SALE OF SHARES | 6,748,413 | 0 |
| 33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES | (12,201,208) | (10,868,638) |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (37,487,127) | (16,731,942) |
| 34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE | (11,988,585) | (39,701) |
| 35 | | (18,885,802) | (11,653,246) |

| | | | |
|----|--|-------------|-------------|
| | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | | |
| 36 | (-) INCREASE IN CONSTRUCTIONS IN PROCESS | 0 | 0 |
| 37 | + SALE OF OTHER PERMANENT INVESTMENTS | 0 | 0 |
| 38 | + SALE OF TANGIBLE FIXED ASSETS | 0 | 0 |
| 39 | +(-) OTHER ITEMS | (6,612,740) | (5,038,995) |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-01

RATIOS

- CONSOLIDATED INFORMATION -

(Thousand Pesos)

Final printing

| REF P | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|--------------------|---|---------------------|---|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | YIELD | | | | |
| 1 | NET INCOME TO OPERATING REVENUES | 20.05 | % | 19.21 | % |
| 2 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 29.29 | % | 28.19 | % |
| 3 | NET INCOME TO TOTAL ASSETS (**) | 10.99 | % | 12.09 | % |
| 4 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 34.49 | % | 37.46 | % |

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| | | | | | |
|------|---|---------|-------|---------|-------|
| 5 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 10.24 | % | 7.36 | % |
| | ACTIVITY | | | | |
| 6 | OPERATING REVENUES TO TOTAL ASSETS (**) | 0.55 | times | 0.63 | times |
| 7 | OPERATING REVENUES TO FIXED ASSETS (**) | 0.91 | times | 0.97 | times |
| 8 | INVENTORIES ROTATION (**) | 53.87 | times | 66.63 | times |
| 9 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 55 | days | 45 | days |
| 10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | 7.08 | % | 8.39 | % |
| | LEVERAGE | | | | |
| 11 | TOTAL LIABILITIES TO TOTAL ASSETS | 57.43 | % | 57.12 | % |
| 12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 1.35 | times | 1.33 | times |
| 13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 55.88 | % | 56.48 | % |
| 14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 50.56 | % | 39.99 | % |
| 15 | OPERATING INCOME TO INTEREST EXPENSE | 6.84 | times | 6.90 | times |
| 16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 0.95 | times | 1.10 | times |
| | LIQUIDITY | | | | |
| 17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.24 | times | 1.06 | times |
| 18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.21 | times | 1.04 | times |
| 19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.42 | times | 0.37 | times |
| 20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 42.00 | % | 27.36 | % |
| | STATEMENT OF CHANGES IN FINANCIAL POSITION | | | | |
| 21 | CASH FLOW FROM NET INCOME TO OPERATING REVENUES | 34.71 | % | 37.60 | % |
| 22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO OPERATING REVENUES | 8.88 | % | (10.24) | % |
| 23 | RESOURCES PROVIDED BY OPERATING ACTIVITIES TO INTEREST EXPENSES | 9.49 | times | 5.55 | times |
| 24 | OUTSIDE FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | (10.40) | % | 0.46 | % |
| 25 | OWN FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | 110.40 | % | 99.54 | % |
| 26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | 50.38 | % | 69.65 | % |
| | | | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-02

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousand Pesos)

Final printing

| REF D | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---|--|--------|--|--------|
| | | Amount | | Amount | |
| 1 | BASIC INCOME PER ORDINARY SHARE (**) | 2.33 | \$ | 1.95 | \$ |
| 2 | BASIC INCOME PER PREFERENT SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 3 | INCOME PER DILUTED SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 4 | INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 2.33 | \$ | 1.95 | \$ |
| 5 | EFFECT OF DISCONTINUOUS OPERATIONS ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 6 | EFFECT OF EXTRAORDINARY INCOME ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 7 | EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 8 | CARRYING VALUE PER SHARE | 7.93 | \$ | 6.92 | \$ |
| 9 | ACUMULATED CASH DIVIDEND PER SHARE | 0.69 | \$ | 0.66 | \$ |
| 10 | SHARE DIVIDENDS PER SHARE | 0.00 | shares | 0.00 | shares |
| 11 | MARKET PRICE TO CARRYING VALUE | 2.49 | times | 2.71 | times |
| 12 | | 8.48 | times | 9.61 | times |

| | | | | | |
|------|---|------|-------|------|-------|
| | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | | | | |
| 13 | MARKET PRICE TO BASIC INCOME PER PREFERENT SHARE (**) | 0.00 | times | 0.00 | times |
| | | | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Fourth Quarter 2004

Mexico City, February 3, 2005.

Consolidated Financial Results

(in 2004, the results of the subsidiaries in Latin America are consolidated)

- In the fourth quarter, revenues increased 28.5% and 12.9% for the full year
- EBITDA increased 8.7% in the quarter and 4.8% for the twelve months
- Operating income increased 10.7% compared with the fourth quarter of 2003 and 4.5% for the full year
- Earnings per share in the fourth quarter were \$0.88 pesos and \$1.56 dollars per ADR

Revenues

: At December 31, revenues for Telefonos de Mexico and its subsidiaries in Mexico and Latin America rose to 40,801 million pesos, an increase of 28.5% compared with the same period of 2003. For the twelve months, revenues increased 12.9%, totaling 138,802 million pesos.

Costs and Expenses:

Operating costs and expenses totaled 28,448 million pesos, 38.2% higher than the fourth quarter of the previous year. For the twelve months, operating costs and expenses increased 17.3%, totaling 95,146 million pesos.

EBITDA and Operating Income:

EBITDA rose to 18,384 million pesos in the fourth quarter, 8.7% higher than the same period of 2003 and the EBITDA margin was 45.1%. Operating income totaled 12,353 million pesos, an increase of 10.7%, and the margin was 30.3% in the quarter. For the twelve months, EBITDA and operating income totaled 66,603 million pesos and 43,656 million pesos, reflecting increases of 4.8% and 4.5%, respectively. The EBITDA margin was 48.0% and the operating margin was 31.5%.

Comprehensive Financing Cost (Product):

Comprehensive financing cost was positive by 1,186 million pesos in the quarter. This result was due to a net interest charge of 624 million pesos, partially offset by an exchange gain of 463 million pesos resulting from the 1.3% appreciation of the peso to the US dollar (11.2648 pesos per dollar in 4Q04 vs. 11.4106 pesos per dollar in 3Q04) and the 7.1% appreciation of the Brazilian real to the US dollar (2.6544 reais per dollar in 4Q04 vs. 2.8586 reais per dollar in 3Q04), as well as for a monetary gain of 1,347 million pesos. At December 31, comprehensive financing cost was 521 million pesos, 88.3% lower than the same period of 2003.

In the fourth quarter, a credit of deferred taxes of 2,485 million pesos was charged due to the recognition of the annual gradual reduction of the income tax rate since January 2005.

Net Income:

Net income rose to 10,427 million pesos in the fourth quarter, 77.5% higher than the same period of the previous year that was mainly due to the effect of the credit of 2,485 million pesos related to deferred taxes as well as for the variation of the comprehensive financing cost of 2,564 million pesos. For the twelve months, net income totaled 27,497 million pesos, 16.4% higher than the same period of 2003. The minority interest, primarily reflecting the 66.4% minority ownership in Embratel, was 315 million pesos. Earnings per share for the fourth quarter, based on the number of shares outstanding at period end, were 0.88 pesos, and earnings per ADR were 1.56 dollars.

Debt:

Debt rose 30.8% to 7.993 billion dollars compared with 6.112 billion dollars at December 31, 2003 due to the consolidation of Embratel's debt of 1.219 billion dollars, to the syndicated bank loan that TELMEX obtained in July 2004 and the amortization of liabilities. Of total debt, 14.7% is short-term, 85.1% is in foreign currency (40.9% considering hedges), and 39.7% carries a fixed rate (53.4% considering interest rate swaps). At December 31, 2004, TELMEX carried out interest rate swaps for 12,390 million pesos, producing a new fixed rate of 9.2%, and currency hedges for 3.536 billion dollars, of which 91.1% is related to hedges of pesos to dollars and 8.9% to hedges of reais to dollars.

Of debt especially related to TELMEX Mexico, 6.2% is short-term, 88.5% is foreign denominated (40.7% considering hedges), and 39.8% carries a fixed rate (56.1% considering interest rate swaps). In the case of Embratel, 61.0% of its debt is short-term, 68.4% is foreign denominated (42.4% considering hedges) and 37.6% of the total has fixed rates.

Total Investment:

At December 31, total investment was 1.635 billion dollars, of which 136 million dollars were used for the operations in Latin America.

Dividends:

In December 2004, the quarterly dividend payment of 17 Mexican cents was made. The amount paid was 2,013 million pesos.

Repurchase of Shares

From October 1st to December 31st, 2004 the company repurchased 140.4 million of its own shares outstanding, representing 1.2% of outstanding shares at the beginning of the fourth quarter. From January to December, 709.5 million shares were repurchased.

Net liabilities

In 2004, the company's consolidated net liabilities increased by 1.591 billion dollars. This amount includes 902 million dollars from indebtedness of the Latin American companies

The analysis of net debt in 2004 should consider the capitalization of the convertible bond for 570 million dollars, the acquisition of companies for 1.166 billion dollars, investments in the telecommunications plant for 1.499 billion dollars in Mexico and 136 million dollars in Latin America, as well as the repurchase of the company's own shares for 1.150 billion dollars and dividend payments for the equivalent of 721 million dollars.

On January 27, 2005 the company sold two series of senior notes in aggregate amount of 1.3 billion dollars in two tranches of 650 million dollars each. One series maturing in 2010 and bearing interest of 4.75% and the other series maturing in 2015 and bearing interest at 5.50%.

Lines in service

Net line gain for the quarter was 355,798 as a result of 590,389 connections and 234,591 disconnections. At December 31st, there were 17,172,278 lines in service, an annual increase of 9.5%. Of the additions during the quarter, the prepaid system generated 48.4%, bringing the total of Multifon Hogar lines to 1,187,593, 85.8% more than the previous year and representing 6.9% of lines in service.

In the fourth quarter, digital services attained market penetration of 38.2% of lines in service, 3.2 percentage points higher than the same period of the previous year. At December 31, there were 7,252,166 free voice mails (Buzon TELMEX) in operation, an increase of 35.4% compared with the previous year and representing penetration of 42.2% of lines in service.

Local

During the quarter, 6,583 million local calls were made, an annual decrease of 1.7%. For the full year, total local traffic was 26,782 million calls, 0.6% higher than the same period of 2003.

Interconnection traffic totaled 8,089 million minutes during the quarter, 23.1% more than in the same period of the previous year. For the twelve months, interconnection traffic increased 17.4% compared with the same period of last year, totaling 30,271 million minutes.

Long Distance

In the fourth quarter, DLD traffic totaled 4,190 million minutes, 11.3% higher than the same period of 2003. For the twelve months, DLD traffic totaled 16,700 million minutes, an increase of 8.6% compared with the same period of the previous year.

ILD outgoing minutes increased 6.7%, totaling 413 million minutes. Incoming ILD minutes totaled 1,261 million minutes, 23.8% higher than the same period of 2003. The incoming-outgoing ratio was 3.1 compared with 2.6 last year. For the full year, ILD outgoing minutes totaled 1,676 million and incoming 4,580 million, providing increases of 7.9% and 54.8%, respectively, compared with the same period of 2003.

Corporate Networks

In the corporate data transmission market, 340,453 line equivalents were added during the fourth quarter, an annual increase of 45.2%, bringing the total to 3,327,293 line equivalents for data transmission at the end of December.

Internet

At December 31, Internet access accounts - both dial-up and broadband - rose to 1,741,296, an increase of 19.9% compared with the same period of the previous year. From October to December, 104,281 ADSL customers were added to the Prodigy Infinitum service. For the full year, there were 560,293 Prodigy Infinitum accounts in operation, 212.5% more than the same period of 2003.

Internet dial-up customers totaled 1,167,278 at year-end. Prodigy Hogar customers (paying for the service on a per minute basis), had 59,737 accounts.

Revenues:

In the fourth quarter of 2004, total revenues from operations in Mexico totaled 31,560 million pesos, 0.6% lower than the same period of the previous year. For the twelve months, revenues for Mexico totaled 123,076 million pesos, an annual increase of 0.1%.

- **Local**

: Revenues decreased 3.1%. Line increases were offset by the lack of growth in local traffic, producing a reduction in real terms in revenue per line. For the twelve months, these revenues decreased 1.1% compared with the same period of the previous year.

- **DLD**

: Revenues decreased 6.1% in the fourth quarter due to the reduction of the rate per minute in real terms, which was not offset by higher traffic volume. For the twelve months, the decrease was 8.5%.

- **ILD**

: Revenues increased 0.6% compared with the fourth quarter of 2003 due to the reduction of the rate per minute in real terms, partially offset by growth of international settlement due to more incoming traffic. For the twelve months, these revenues decreased 0.4%.

- **Interconnection**

: Revenues increased 1.5% in the quarter as a result of higher traffic originated by long distance and cellular operators. For the twelve months, interconnection revenues increased 1.4% compared with the same period of 2003.

- **Data transmission**

: Revenues related to data transmission services increased 13.6% in the fourth quarter due to the increase in the number of broadband users (Infinitum). For the twelve months, these revenues increased 13.9%.

- **Other:**

Other revenues decreased 3.8% in the fourth quarter due to lower revenues from advertising in yellow pages. For the twelve months, these revenues increased 3.3%.

Costs and expenses:

Costs and expenses totaled 19,670 million pesos in the fourth quarter, a decrease of 4.5% compared with the same period of 2003. For the twelve months, operating costs and expenses in Mexico totaled 79,761 million pesos, a decrease of 1.7% compared with the previous year.

- **Cost of sales and services:**

The cost of sales and services increased 6.8% due to higher expenses originated by the expansion of the telephone plant and expenses related to maintenance of the data network. For the twelve months, these costs increased 1.1%.

- **Commercial, administrative and general expenses:**

Commercial, administrative and general expenses decreased 2.7% in the quarter due to lower advertising expenses, commission payments and insurance savings. For the twelve months, these expenses decreased 0.7% compared with the previous year.

- **Transport and interconnection:**

Transport and interconnection costs decreased 1.7% compared with the fourth quarter of the previous year, due to the decrease of termination traffic in the cellular network from Calling Party Pays that is the main

component of this item. For the twelve months, these expenses increased 0.3%.

- Depreciation and Amortization:

Depreciation and amortization decreased 21.3% due to the appreciation of the peso to the US dollar compared with the third quarter of 2004 and inflation increased 5.2% for the full year. The company's depreciation policy is based on the guidelines established in the fifth document as amended of Bulletin B-10 of the Mexican Institute of Public Accountants.

EBITDA and Operating Income:

EBITDA and operating income totaled 16,423 million pesos and 11,890 million pesos, respectively, reflecting a decrease of 2.9% in EBITDA and an increase of 6.6% in operating income compared with 2003. In the quarter, the EBITDA margin decreased 1.3 percentage points and the operating margin increased 2.6 percentage points, reaching 52.0% and 37.7%, respectively.

For the full year, the EBITDA margin was 51.6%, similar to the previous year and totaled 63,502 million pesos, 0.1% lower than in 2003. The operating margin increased 1.2 percentage points to 35.2%, reflecting operating income of 43,315 million pesos, 3.7% higher than in 2003.

International Operations

Results based on Continuing Operations

The financial information presented here is calculated in the currency of each country, according to generally accepted accounting principles of the country where each subsidiary in Latin America operates and are based on continuing operations

The figures of the results include the adjustments by registered valuation since the acquisition date, that are considered in goodwill in TELMEX's Consolidated Financial Statements.

Brazil

Revenues from the operations in Brazil during the fourth quarter totaled 1,895.4 million reais, 1.0 lower than in 2003, of which 64% was related to long distance, mainly from Embratel, that decreased 7.8% in the quarter and 24% to data transmission services that increased 2.1%. Revenues from local services increased 82.7% compared with the fourth quarter of 2003 due to the incorporation of Vesper. Costs and expenses were 1,832.7 million reais in the fourth quarter, 6.2% higher than in 2003. Transport and termination of traffic represented 47% of total costs and expenses that decreased 2.6% in the quarter. In Embratel contingencies for 214 million reais were recognized related to labor, civil and fiscal contingencies. Additionally, At year-end, the probable contingencies balance was 477 million reais compared with a balance of 74 million reais last year. Also, income before income tax decreased 65 million reais due to other charges and credits related to the agreements with telecommunications operators, Brasil Telecom and Telemar, the impairment of Vesper's telephone plant and an adjustment in the pension fund of the company. Specifically, depreciation of TELMEX Brasil was due to an impairment of the value of the telephone plant of 200.7 million reais. This charge was reflected in the income statement below the operating profit line. Operating income in the quarter was 62.6 million reais producing an operating margin of 3.3%. EBITDA for the quarter was 346.4 million reais, 29.2% lower than the same period of 2003, representing a margin of 18.3%.

Argentina

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Revenues from the operations in Argentina during the fourth quarter totaled 70.0 million Argentinean pesos, 26.8% higher than in 2003. Specifically, the data business increased 23.0%; the voice business increased 12.1%. Operating costs and expenses increased 3.0% and totaled 71.0 million Argentinean pesos in the quarter. In particular, depreciation in the quarter decreased 44.5% due to an impairment of the value of the telephone plant of 289.4 million Argentinean pesos. This charge was reflected in the income statement below the operating profit line. In the quarter, there was an operating loss of 1.0 million Argentinean pesos. EBITDA for the quarter was 9.3 million Argentinean pesos, 92.9% higher than the same period of 2003 producing a margin of 13.2%.

Chile

Revenues from the operations in Chile during the fourth quarter totaled 14,730.6 million Chilean pesos, 0.4% higher than the previous year. The data business increased 18.0%, that partially offset the decrease of 1.2% of local revenues. Costs and expenses were 16,020.5 million Chilean pesos in the quarter, 16.6% lower than in 2003 of which transport and interconnection increased 10.0%, partially offset by a valuation of 43.0% in depreciation in the quarter and affected the value of the telephone plant which decreased 39,090.4 million Chilean pesos. This valuation was registered in TELMEX Chile Holdings, S.A. balance sheet that is a TELMEX subsidiary. The loss in operating income was 1,289.9 million Chilean pesos in the fourth quarter that compares with an operating loss of 4,536.1 million Chilean pesos last year. EBITDA totaled 1,169.3 million Chilean pesos with a margin of 7.9% in the quarter.

Colombia

Revenues from these operations during the fourth quarter totaled 22,159.0 million Colombian pesos, 12.8% higher than in 2003. Costs and expenses were 20,014.2 million Colombian pesos, 10.7% lower than in 2003, of which 27% was related to transport and interconnection that increased 1.9%. Depreciation in the quarter decreased 27.6% as a result of a lower valuation in the value of the telephone plant, which decreased 20,153.6 million Colombian pesos. Colombian Accounting Principles indicate that this reduction must be faced, in the case that it exists, against the surplus in the valuation of the asset. In the case of TELMEX Colombia, this criteria was observed. Commercial, administrative and general expenses decreased 16.0% compared with the fourth quarter of the previous year. Operating income for the quarter totaled 2,144.8 million Colombian pesos compared with an operating loss of 2,768.8 million Colombian pesos in the same period of last year. The operating margin was 9.7%. EBITDA totaled 7,895.8 million Colombian pesos in the quarter, 52.7% more than the same period of last year producing a margin of 35.6%.

Peru

Revenues from operations in Peru during the fourth quarter totaled 38.3 million new soles, 3.2% higher than the previous year. The voice business increased 8.8%. Costs and expenses in the quarter increased 38.8% due to the increase of 35.7% in transport and interconnection costs, as well as for higher depreciation charges. The telephone plant was reduced in 21.8 million new soles due to the valuation of depreciation. According to Peruvian Accounting Principles, the effect of this valuation had a non-recurring impact in depreciation of the period that increased 118.1% in the quarter. The operating loss was 20.8 million new soles. If the extraordinary charge was eliminated, operating income would have been 1 million new soles. EBITDA totaled 9.0 million new soles producing a margin of 23.6%.

Annex 1

Based on Condition 7-5 of the Amendments of the Concession Title, the commitment to present the accounting separation of the local and long distance services is presented below for 2003 and 2004.

Local Service Business Mexico

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| Income Statements (Millions of Mexican constant pesos as of December 2004) | 4Q2004 | 4Q2003 | % yoy | 12 months 2004 | 12 months 2003 | % yoy |
|---|---------------|---------------|--------------|-------------------|-------------------|--------------|
| Revenues | | | | | | |
| Access, rent and measured service | 13,525 | 13,984 | (3.3) | 55,825 | 56,510 | (1.2) |
| Recovery of LADA special projects | 69 | 532 | (87.0) | 1,786 | 2,026 | (11.8) |
| LADA interconnection | 1,069 | 1,007 | 6.2 | 4,318 | 3,834 | 12.6 |
| Interconnection with operators | 352 | 328 | 7.3 | 1,437 | 1,119 | 28.4 |
| Interconnection with cellular | 4,312 | 4,271 | 1.0 | 17,283 | 17,357 | (0.4) |
| Other | 2,228 | 2,414 | (7.7) | 8,899 | 9,094 | (2.1) |
| Total | 21,555 | 22,536 | (4.4) | 89,548 | 89,940 | (0.4) |
| | | | | | | |
| Costs and expenses | | | | | | |
| Cost of sales and services | 5,671 | 5,086 | 11.5 | 21,057 | 19,709 | 6.8 |
| Commercial, administrative and general | 3,315 | 3,478 | (4.7) | 14,821 | 14,993 | (1.1) |
| Interconnection | 3,163 | 3,198 | (1.1) | 12,936 | 12,910 | 0.2 |
| Depreciation and amortization | 3,043 | 4,003 | (24.0) | 13,523 | 14,797 | (8.6) |
| Total | 15,192 | 15,765 | (3.6) | 62,337 | 62,409 | (0.1) |

| | | | | | | |
|----------------------|-------|--------|--------|--------|--------|-------|
| | | | | | | |
| Operating income | 6,363 | 6,771 | (6.0) | 27,211 | 27,531 | (1.2) |
| | | | | | | |
| EBITDA | 9,406 | 10,774 | (12.7) | 40,734 | 42,328 | (3.8) |
| EBITDA Margin (%) | 43.6 | 47.8 | (4.2) | 45.5 | 47.1 | (1.6) |
| Operating Margin (%) | 29.5 | 30.0 | (0.5) | 30.4 | 30.6 | (0.2) |

Long Distance Business Mexico

| Income Statements (Millions of Mexican constant pesos as of December 2004) | 4Q2004 | 4Q2003 | % Inc. | 12 months 2004 | 12 months 2003 | % Inc. |
|---|--------|--------|-----------|-------------------|-------------------|-----------|
| Revenues | | | | | | |
| Domestic long distance | 4,068 | 4,312 | (5.7) | 16,396 | 18,013 | (9.0) |
| International long distance | 2,244 | 2,109 | 6.4 | 7,930 | 7,772 | 2.0 |
| Total | 6,312 | 6,421 | (1.7) | 24,326 | 25,785 | (5.7) |
| | | | | | | |
| Costs and expenses | | | | | | |
| Cost of sales and services | 1,112 | 1,046 | 6.3 | 4,593 | 4,756 | (3.4) |
| Commercial, administrative and general | 1,399 | 1,464 | (4.4) | 4,933 | 5,288 | (6.7) |
| Interconnection to the local network | 939 | 942 | (0.3) | 3,871 | 3,654 | 5.9 |
| Cost of LADA special projects | 54 | 494 | (89.1) | 1,588 | 1,916 | (17.1) |

| | | | | | | |
|-------------------------------|-------|-------|--------|--------|--------|-------|
| Depreciation and amortization | 596 | 661 | (9.8) | 2,776 | 2,931 | (5.3) |
| Total | 4,100 | 4,607 | (11.0) | 17,761 | 18,545 | (4.2) |
| | | | | | | |
| Operating income | 2,212 | 1,814 | 21.9 | 6,565 | 7,240 | (9.3) |
| | | | | | | |
| EBITDA | 2,808 | 2,475 | 13.5 | 9,341 | 10,171 | (8.2) |
| EBITDA Margin (%) | 44.5 | 38.5 | 6.0 | 38.4 | 39.4 | (1.0) |
| Operating Margin (%) | 35.0 | 28.3 | 6.7 | 27.0 | 28.1 | (1.1) |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2003 & 2002

(Thousand Pesos)

Consolidated

Final printing

S 12 PLANT, PROPERTY AND EQUIPMENT (NET)

Following, the breakdown is provided for the fixed assets included for the fourth quarter of 2004 by the specific index method and the NCPI, 5th document.

| CONCEPT | INDEX | NCPI 5 th . DOCUMENT |
|--------------------------|--------------------|------------------------------------|
| Investment | Ps. 412,351,970 | Ps. 455,099,964 |
| Depreciation | (264,166,228) | (301,335,591) |
| Construction in progress | 3,803,038 | 3,799,602 |
| Total | 151,988,780 | 157,563,975 |
| Results | 22,602,381 | 25,439,861 |

S 18 DEFERRED ASSETS

At December 31, 2004, deferred assets rose to Ps.

[12,305,635](#) that is comprised mainly by Ps. [574,288](#), that correspond to the acquisition of concessions to operate radio spectrum frequency bands to provide fixed wireless and mobile telephony services in Mexico, that will be amortized in 20 years; Ps. [2,489,731](#) for deferred assets of Latin America; Ps. [3,782,899](#) that corresponds to goodwill that is caused by the share acquisitions of the foreign companies Latam, Embratel, Tectel and Chilesat, and Ps. [5,329,575](#) for receivable deferred income tax D-4 of Embratel.

S 19 OTHER ASSETS

This item rose to

[\\$ 27,808,621](#) and [\\$ 24,796,433](#) at [December 31](#), 2004 and 2003, respectively, and is comprised by the following concepts:

| | 2004 | 2003 |
|----------------------------|------------------|------------------|
| Inventories | Ps. 2,186,020 | Ps. 1,301,155 |
| Intangible assets D-3 | 0 | 0 |
| Projected net Asset D-3 | 25,622,601 | 23,495,278 |

INVENTORIES: are used for the operation of the telephone plant and are valued by the average cost method and are updated based on the specific index method, without exceeding their market value.

PROJECTED NET ASSET (D-3):

At

December 31, 2004 and 2003, the market value of the established pensions and seniority premium fund was greater than the Accumulated Benefit Obligation (ABO), accordingly with Bulletin D-3 "Labor Obligations" issued by the Mexican Institute of Public Accountants, it is not recognized neither any additional liability nor the related intangible asset and effect of labor obligations on stockholders' equity. As a result of the foregoing, the balance sheet presents a projected net asset of Ps. \$25,622,601 in 2004 and Ps. \$23,495,279 in 2003.

S 23 AND S 28 BANK LOANS

In this item, supplier's credits are included in bank credits. The supplier's credits are reclassified to bank loans because in this document, sific/ics, long-term opening to supplier's does not exist.

On July 15, 2004 Telmex entered-into a Syndicated Loan Agreement for the aggregate amount of US\$ 2,425 million, which was divided in two tranches, the first one for the amount of US\$ 1,525 million, with maturity in three years at an interest rate of Libor plus 0.45% and the second tranche for the amount of US\$ 900 million, with maturity in five years at an interest rate of Libor plus 0.525%. From the total amount of the Syndicated Bank Loan, US\$ 1,900 million was disbursed on July 15, 2004 and the remaining portion of US\$ 525 million was used on October 13, 2004.

S 24 AND S 29 STOCK MARKET LOANS

The "4.25% Convertible Senior Debentures Due 2004" matured on June 15, 2004.

During 2003 and 2004, Telmex made several purchases of the convertible debentures in the market for the amount of US\$ 424.7 million and some holders elected to convert their convertible debentures into ADR's in the amount of

US\$5 million. On the maturity date, the remaining balance was US\$570.3 million that was completely amortized in the following manner: US\$569.8 million exercised their right of conversion for 385,285,200 (three hundred and eighty

five million two hundred and eighty five thousand two hundred) shares at a conversion rate of 33.8110 ADRs (each ADR is equivalent to 20 series "L" shares) per US\$1,000 principal amount of debentures, and US\$0.5 million were amortized in cash.

On January 26, 2001, TELMEX issued senior notes for U.S.\$1,000 million, maturing in 2006 and bearing 8.25% annual interest payable semi-annually. Additionally, on May 8, 2001 TELMEX issued additional senior notes for U.S.\$500 million with the same characteristics.

During 2002, TELMEX made four placements of domestic senior notes ("Certificados Bursatiles") for a total of Ps. 3,200 million, face value (Ps. 4,250 million in 2001, face value) under a program authorized by the National Banking and Securities Commission of \$10,000 million. This program matured on April 10, 2004.

On November 19, 2003 TELMEX issued a bond for U.S. \$1,000 million due 2008, with an annual interest of 4.5%. Interest will be paid every six months.

On January 27, 2005 TELMEX placed senior notes in aggregate principal amount of US\$1.3 billion in two issuances of US\$650 million each, the first one maturing in 2010 and bearing interest at 4.75% and the second one maturing in 2015 and bearing interest at 5.50%. Interest will be paid every six months.

S 26 OTHER CURRENT LIABILITIES

At December 31, 2004 and 2003, this item rose to Ps.

28,349,323 and Ps. 16,536,184 respectively and is comprised by the following concepts:

| | 2004 | 2003 |
|---------------------------|-------------------|------------------|
| A c c o u n t s payable | Ps. 17,994,717 | Ps. 9,909,849 |
| A c c r u e d liabilities | 8,287,541 | 5,288,906 |
| D e f e r r e d credits | 2,067,065 | 1,337,429 |

Short-Term deferred credits consist of not accrued accounts receivable and advanced payments from customers and others.

S 29 STOCK MARKET LOANS (LONG-TERM)

This item rose to \$

34,762,000 and \$ **37,384,526** at December 31, 2004 and 2003, respectively and is comprised by the following:

| | 2004 | 2003 |
|-----------------------|--------------|------------------|
| Domestic Senior Notes | Ps 6,600,000 | Ps. 7,836,655 |
| Bonds | 28,162,000 | 29,547,871 |

S 31 DEFERRED CREDITS

At December 31, 2004 and 2003, this item rose to Ps.

18,101,652 and Ps. **21,515,768**, respectively and corresponds to deferred taxes based on the requirements of Bulletin D-4, issued by the Mexican Institute of Public Accountants.

S 32 OTHER LIABILITIES

At December 31, 2004 this item rose to Ps.

1,724,572 (that corresponds to Embratel), and represents the liability for pensions and seniority premiums based on the requirements of Bulletin D-3 "Labor Obligations".

S 37 CAPITAL STOCK AND S 39 PREMIUM ON SALE OF SHARES

With regard to the "4.25% Convertible Senior Debentures Due 2004" issued on June 11, 1999, the outstanding balance of U.S.\$570.3 million matured on June 15, 2004. From this amount US \$569.8 million were converted into "L" shares at the conversion rate of 33.8110 ADRs per U.S.\$1,000 principal amount of debentures (each ADR represents 20

series "L" shares). Upon conversion, TELMEX issued from its treasury 385,285,200 (three hundred eighty five million two hundred eighty five thousand two hundred) series "L" shares.

S 42 RETAINED EARNINGS

At December 31, 2004 and 2003, this item rose to Ps.

85,840,002 and Ps. 83,132,693, respectively and is comprised by the following concepts:

| | 2004 | 2003 |
|--|----------------|----------------|
| Legal reserve | Ps. 18,016,857 | Ps. 17,493,653 |
| Unappropriated earnings of prior years | 67,823,145 | 65,639,040 |

On March 1st, 2004, November 30, 2004 and April 29, 2003, the Stockholders Meeting approved an increase of Ps. 12,000,000 (nominal value), Ps. 8,000,000 and Ps. 7,601,474 (nominal value) respectively, in the total authorized nominal amount to be used by the Company to acquire its own shares, bringing the total amount to be used for this purpose to Ps. 12,001,362 (nominal value), Ps. 9,834,119 and Ps 10,000,000 (nominal value), respectively.

From January to December 2004, the Company acquired

707.8 million Series "L" shares for Ps. 13,860,546 (historical cost of Ps. 13,482,173) and 1.7 million Series "A" shares for Ps. 33,036 (historical cost of Ps. 32,134).

From January to December 2003, the Company acquired

668.3 million Series "L" shares for Ps. 12,007,642 (historical cost of Ps. 11,197,226) and 3.9 million Series "A" shares for Ps. 70,723 (historical cost of Ps. 65,805).

The Company's repurchased shares are applied to unappropriated retained earnings in the amount the corresponding shares purchased exceeded capital stock.

S 44 EXCESS (SHORTFALL) IN RESTATEMENT OF STOCKHOLDERS EQUITY

At December 31, 2004 and 2003, this item rose to Ps. (

66,220,486) and Ps. (64,095,925), respectively and is comprised in the following manner:

| | 2004 | 2003 |
|--|---------------------|---------------------|
| Accumulated monetary position loss | Ps. (13,591,711) | Ps. (13,591,711) |
| R e s u l t f r o m h o l d i n g non-monetary assets | (52,628,775) | (50,504,214) |

S 73 PENSION FUND AND SENIORITY PREMIUMS

The Company grants pensions and seniority premiums that are established in defined pension plans that cover substantially all employees.

Pension benefits are determined on the basis of compensation to employees in their final year employment, their seniority, and their age at the time of retirement.

The Company established an irrevocable trust fund to cover the payment of these obligations and has the policy of making annual contributions to such fund. These contributions are deductible for Mexican corporate income tax purposes.

The transition liability, past services and variations in assumptions are being amortized over a period of twelve years, that is the estimated average remaining working-life of the Company's employees.

COMPREHENSIVE INCOME

At December 31, 2004 and 2003 this item rose to Ps.

25,710,762 and Ps. 37,677,571, respectively by the application of Bulletin B-4 comprehensive income; and is comprised by the following:

| | 2004 | 2003 |
|--|------|------|
| | | |

| | | |
|---|----------------|----------------|
| Net income for the period | Ps. 27,496,601 | Ps. 23,614,906 |
| Result from holding non-monetary assets | (2,332,913) | 2,641,375 |
| Effect of labor obligations | 0 | 11,421,290 |
| Effect of securities available for sale | (1,104,876) | 0 |
| Effect of translation of foreign entities | 1,313,225 | 0 |
| Minority interest | 338,725 | 0 |
| | | |
| Comprehensive Income | 25,710,762 | 37,677,571 |

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

R 33 DEFERRED INCOME TAX

At December 31, 2004 and 2003, Telmex Group recognized a net income of Ps.

(2,714,066) and Ps. 643,248, respectively, for the application of Bulletin D-4 "Accounting treatment of income tax, asset tax and employee profit sharing".

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

C 39 OTHER ITEMS

Includes inventories for operation of the telephone plant, as well as decreases of fixed assets.

RATIOS

P 08 INVENTORY TURNOVER RATE-COST

The SIFI/ICS system automatically calculates the inventory turnover rate-cost by dividing the total cost of goods and services (Ref. R 2) by the inventory of goods for sale (Ref. S 6), fact that affects the result.

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3

SHARE INVESTMENTS

Consolidated

Final printing

| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP | TOTAL AMOUNT | | |
|---------------------|---|--|----------------|------------------|---------------|------------|
| | | | | (Thousand Pesos) | | |
| | | | % | ACQUISITION COST | PRESENT VALUE | |
| SUBSIDIARIES | | | | | | |
| 1 | Consertel, S.A. de C.V. | Investments in all types of businesses | 28,444,797,340 | 100 | 16,374,507 | 30,957,387 |
| 2 | Cía. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing | 1,034,000,000 | 100 | 1,040,903 | 7,452,474 |
| 3 | Alquiladora de Casas, S.A. de C.V. | Real estate acquisition & leasing | 686,001,490 | 100 | 702,096 | 3,263,984 |
| 4 | Construcciones y Canalizaciones, S.A. de C.V. | Construction & maint. of telephone network | 28,369,000 | 100 | 28,636 | 534,659 |
| 5 | Empresa de Limpieza Mexicana, S.A. de C.V. | Cleaning Service Company | 50 | 100 | 49 | 60 |

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| | | | | | | |
|----|---|---|---------------|-------|-----------|-----------|
| 6 | Renta de Equipo, S.A. de C.V. | Equipment, vehicles & real estate leasing | 769,595,000 | 100 | 769,645 | 880,228 |
| 7 | Multicomunicación Integral, S.A. de C.V. | Trunking, installation & sales services | 186,000,000 | 100 | 137,877 | 170,830 |
| 8 | Teleconstructora, S.A. de C.V. | Construction & maint. of telephone network | 19,400,000 | 100 | 19,397 | 120,947 |
| 9 | Anuncios en Directorios, S.A. de C.V. | Sale of advertising space in yellow pages | 1,081,750 | 100 | 1,240 | 70,448 |
| 10 | Operadora Mercantil, S.A. de C.V. | Sales agent advertising space in yellow pages | 50,000 | 100 | 54 | 1,412 |
| 11 | Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100 | 4,602 | 30,262 |
| 12 | Fuerza y Clima, S.A de C.V. | Air conditioning installation & maint. | 4,925,000 | 100 | 4,944 | 76,107 |
| 13 | Teléfonos del Noroeste, S.A. de C.V. | Telecommunications services | 110,000,000 | 100 | 75,279 | 922,358 |
| 14 | Aerocomunicaciones, S.A. de C.V. | Aeronautic radiocom. mobile serv. | 76,723,650 | 99.99 | 76,724 | 82,819 |
| 15 | Tecmarketing, S.A. de C.V. | Telemarketing services | 6,850,000 | 100 | 138,972 | 195,756 |
| 16 | Comertel Argos, S.A. de C.V. | Personnel services | 6,000 | 100 | 13 | 2,842 |
| 17 | Telmex International, Inc. | Holding Company in the U S A. | 5 | 100 | 220,153 | 263,946 |
| 18 | Instituto Tecnológico de Teléfonos de México, A.C | Training & research services | 1,000 | 100 | 1 | 4 |
| 19 | Buscatel, S.A. de C.V. | Paging services | 111,645 | 100 | 142,445 | 269,192 |
| 20 | Consortio Red Uno, S.A. de C.V. | Design & integrated telecom. Services | 167,691,377 | 100 | 360,533 | 574,327 |
| 21 | Uninet, S.A. de C.V. | Data transmission services | 67,559,613 | 100 | 6,755,961 | 7,457,803 |
| 22 | Aerofrisco, S.A. de C.V. | Air Taxi services | 4,477,798,600 | 100 | 447,298 | 705,485 |
| 23 | Grupo Técnico de Administración, S.A. de C.V. | Management, consulting & org. Services | 61,952 | 100 | 62 | 72 |
| 24 | Teninver, S.A. de C.V. | | 9,108,921 | 100 | 409,687 | 856,541 |

| | | | | | | |
|----|---|--|------------|-------|------------|------------|
| | | Managment of yellow pages | | | | |
| 25 | Latam Telecomunicaciones, L.L.C. | Investments in all types of businesses | 100 | 100 | 13,149,799 | 13,496,836 |
| 26 | Financial Ventures, L.L.C. | Investments in Internet companies | 1,000 | 100 | 6,719,137 | 8,086,064 |
| 27 | Telcoser, S.A. de C.V. | Investments in Internet companies | 14,176,389 | 100 | 14,176,389 | 14,480,453 |
| 28 | Telmex Internet Investments, L.L.C. | Investments in Internet companies | 1,000 | 100 | 998,867 | 1,253,860 |
| 29 | Fintel Holdings, L.L.C. | Investments in Internet companies | 100 | 100 | 99 | 101 |
| | TOTAL INVESTMENT IN SUBSIDIARIES | | | | 62,755,369 | 92,207,257 |
| | ASSOCIATES | | | | | |
| 1 | Technology and Internet , LLC | Internet services | 500 | 50 | 974,989 | 196,963 |
| 2 | Technology Fund I, LLC | Communication services | 500 | 50 | 20,898 | 17,711 |
| 3 | Grupo Telvista, S.A. de C.V. | Telemarketing in Mexico and USA | 450 | 45 | 510,138 | 385,954 |
| 4 | Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 80,020,000 | 21.77 | 80,020 | 107,418 |
| 5 | TM & MS, LLC | Internet portal (TIMSN) | 1 | 50 | 29,621 | 24,617 |
| | TOTAL INVESTMENT IN ASSOCIATES | | | | 1,615,666 | 732,663 |
| | OTHER PERMANENT INVESTMENTS | | | | | 60,936 |
| | TOTAL | | | | | 93,000,856 |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 5

CREDITS BREAKDOWN

(Thousand Pesos)

Consolidated

Final printing

| Amortization Date | Rate of Interest | Denominated in Pesos | | Amortization of Credits in Foreign Currency With National Entities (Thousands Of Pesos) | | | | | | Amortization of Credits in Foreign Currency (Thousands Of Pesos) | | | |
|-------------------|------------------|----------------------|------------------|---|--------------|---------------|---------------|---------------|-----------------------|--|--------------|---------------|---------------|
| | | | | Time Interval | | | | | | Time Interval | | | |
| | | Until 1 Year | More Than 1 Year | Current Year | Until 1 Year | Until 2 Years | Until 3 Years | Until 4 Years | Until 5 Years or more | Current Year | Until 1 Year | Until 2 Years | Until 3 Years |
| 12/2005 | 3.78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,324 | 0 | |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,050 | 4,049 | |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,116 | 2,117 | |
| 12/2007 | 3.53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 181,208 | 181,208 | 181,208 |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,149 | 5,149 | |
| 12/2008 | 2.98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,830 | 31,830 | 31,830 |
| 04/2006 | 3.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 121,697 | 20,808 | |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,424 | 25,425 | |
| 12/2005 | 3.78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 97,569 | 0 | |

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| | | | | | | | | | | | | | | |
|---------|-------|---------|---------|---|---------|---------|---|---|---|---|---|-----------|---------|--------|
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 79,941 | 79,940 | |
| 07/2007 | 3.23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,178 |
| 07/2009 | 3.31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12/2014 | 3.78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 278,751 | 278,751 | 278 |
| 04/2009 | 3.33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 385,409 | 306,459 | 53 |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,081 | 1,081 | |
| 10/2011 | 3.66 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 965,573 | 965,574 | 965 |
| 03/2022 | 2.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,679 | 22,679 | 22 |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,455 | 4,455 | |
| 12/2006 | 3.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,738 | 4,738 | |
| 05/2007 | 3.53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,533 | 869 | |
| 06/2005 | 3.78 | 0 | 0 | 0 | 110,107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10/2006 | 3.68 | 0 | 0 | 0 | 127,031 | 130,864 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10/2006 | 3.78 | 0 | 0 | 0 | 248,034 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 08/2005 | 8.95 | 800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12/2006 | 3.59 | 0 | 0 | 0 | 13,254 | 13,253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 05/2007 | 9.18 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 06/2006 | 3.66 | 0 | 0 | 0 | 301,854 | 155,277 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12/2006 | 3.59 | 0 | 0 | 0 | 25,935 | 25,936 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 06/2013 | 11.31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,609,782 | 250,649 | 238 |

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| | | | | | | | | | | | | | |
|--------------------------------------|-------|------------|-----------|---|---------|---------|---|---|---|---|------------|------------|--------|
| 08/2027 | 9.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 855,924 | 509,365 | 462 |
| | | 800,000 | 500,000 | 0 | 826,215 | 325,330 | 0 | 0 | 0 | 0 | 10,718,233 | 2,695,146 | 19,413 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 01/2006 | 8.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,897,200 | |
| 11/2008 | 4.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 02/2005 | 9.81 | 850,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 02/2007 | 9.46 | 0 | 1,650,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 05/2012 | 11.05 | 0 | 1,700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10/2007 | 9.56 | 0 | 3,250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | 850,000 | 6,600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,897,200 | |
| LIABILITIES AND OTHER CREDITS | | | | | | | | | | | | | |
| LIABILITIES AND | | 28,349,323 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| T LIABILITIES | | 28,349,323 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | 29,999,323 | 7,100,000 | 0 | 826,215 | 325,330 | 0 | 0 | 0 | 0 | 10,718,233 | 19,592,346 | 19,413 |

NOTES:

A.- Interest rates:

The credits breakown is presented with an integrated rate as follows:

1. Libor plus margin
2. Fixed Rate
3. TIIE
4. TIIE plus margin
5. CETES plus margin
6. CETES plus margin
7. Local rate plus margin

B.- The following rates were considered:

1. Libor

at 6 months in U S dollars is equivalent to 2.7806 at December 31, 2004

- TIE

at 28 days is equivalent to 8.9500 at December 31, 2004

- TIE

at 91 days is equivalent to 9.1100 at December 30, 2004

- CETES

at 91 days is equivalent to 8.8100 at December 30, 2004

- CETES

at 182 days is equivalent to 8.6600 at December 30, 2004

C.- The suppliers' Credits are reclassified to Bank Loans because in this document, SIFIC/ICS, Long-Term opening to Suppliers' does not exist.

D.- Liabilities in foreign currency were exchanged at the prevailing exchange rate at the end of the reporting period, which at

December 31,2004 were as follows:

| CURRENCY | AMOUNT | E.R. |
|----------------|-----------|---------|
| DOLLAR (U.S.) | 6,721,643 | 11.2648 |
| EURO | 61,100 | 15.3201 |
| BRAZILIAN REAL | 1,023,575 | 4.2438 |

E.- There are other liabilities in foreign currency for an equivalent amount of

P. 293,284 thousand pesos.

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 6

FOREIGN EXCHANGE MONETARY POSITION

(Thousand Pesos)

Consolidated

Final printing

| TRADE BALANCE | DOLLARS | | OTHER CURRENCIES | | TOTAL |
|---------------------------|-------------|--------------|------------------|------------|--------------|
| | THOUSAND | THOUSAND | THOUSAND | THOUSAND | THOUSAND |
| | DOLLARS | PESOS | DOLLARS | PESOS | PESOS |
| TOTAL ASSETS | 1,293,881 | 14,575,316 | 2,118,956 | 23,869,620 | 38,444,936 |
| LIABILITIES | 7,291,504 | 82,137,337 | 494,743 | 5,573,180 | 87,710,517 |
| SHORT-TERM LIABILITIES | 1,188,077 | 13,383,449 | 404,188 | 4,553,096 | 17,936,545 |
| LONG-TERM LIABILITIES | 6,103,427 | 68,753,888 | 90,555 | 1,020,084 | 69,773,972 |
| NET BALANCE | (5,997,623) | (67,562,021) | 1,624,213 | 18,296,440 | (49,265,581) |

NOTES:

Assets and Liabilities in foreign currency were exchanged at the prevailing exchange rate at the end of the reporting period.

At the end of the quarter the exchange rates were as follows:

| CURRENCY | E.R. |
|---------------------|---------|
| DOLLAR (U.S.) | 11.2648 |
| EURO | 15.3201 |
| CHILEAN PESO | 0.0203 |
| ARGENTINEAN PESO | 3.7897 |
| BRAZILIAN REAL | 4.2413 |
| PERUVIAN SOL | 3.4320 |
| COLOMBIAN PESO | 0.0048 |
| JAPANESE YEN | 0.1101 |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 7

CALCULATION OF MONETARY POSITION

(Thousand Pesos)

Consolidated

Final printing

| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | (ASSET) LIABILITIES MONETARY POSITION | MONTHLY INFLATION | MONTHLY (EFFECT) (ASSET) LIABILITIES |
|------------------|-----------------|----------------------|---------------------------------------|-------------------|--------------------------------------|
| JANUARY | 39,624,973 | 85,658,395 | 46,033,422 | 0.62 | 285,407 |
| FEBRUARY | 39,882,677 | 83,525,438 | 43,642,761 | 0.60 | 261,857 |
| MARCH | 40,488,616 | 86,043,360 | 45,554,744 | 0.34 | 154,886 |
| APRIL | 40,758,086 | 86,616,943 | 45,858,857 | 0.15 | 68,788 |
| MAY | 36,597,526 | 86,863,622 | 50,266,096 | (0.25) | (125,665) |
| JUNE | 36,821,957 | 86,283,761 | 49,461,804 | 0.16 | 79,139 |
| JULY | 35,424,831 | 81,927,729 | 46,502,898 | 0.26 | 120,908 |
| AUGUST | 44,671,285 | 94,908,995 | 50,237,710 | 0.62 | 311,474 |
| SEPTEMBER | 45,109,555 | 92,544,768 | 47,435,213 | 0.83 | 393,712 |
| OCTOBER | 47,098,008 | 97,864,636 | 50,766,628 | 0.69 | 350,290 |
| NOVEMBER | 53,726,277 | 102,823,710 | 49,097,433 | 0.85 | 417,328 |
| DECEMBER | 54,961,610 | 102,212,943 | 47,251,333 | 0.21 | 99,228 |
| ACTUALIZATION : | 0 | 0 | 0 | 0.00 | 52,798 |
| CAPITALIZATION : | 0 | 0 | 0 | 0.00 | 0 |
| FOREIGN CORP. : | 0 | 0 | 0 | 0.00 | 499,089 |
| OTHER | 0 | 0 | 0 | 0.00 | (119,669) |

| | | | | | |
|-------|--|--|--|--|-----------|
| TOTAL | | | | | 2,849,570 |
|-------|--|--|--|--|-----------|

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 8

BONDS AND/OR MEDIUM-TERM NOTES LISTED IN STOCK MARKET

Consolidated

Final printing

| | | | | |
|--|--|--|--|--|
| FINANCIAL COVENANTS UNDER ISSUANCE DEED AND/OR TITLE | | | | |
| DOES NOT APPLY | | | | |
| | | | | |
| | | | | |
| | | | | |
| CURRENT SITUATION OF FINANCIAL COVENANTS | | | | |
| DOES NOT APPLY | | | | |
| | | | | |
| | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 9

PLANTS, - COMMERCIAL, DISTRUBUTION AND/OR SERVICE CENTERS -

Consolidated

Final printing

| PLANT OR CENTER | ECONOMIC ACTIVITY | PLANT CAPACITY (1) | USAGE (%) |
|-----------------|-------------------|--------------------|-----------|
| NOT AVAILABLE | | 0 | 0 |
| | | | |
| NOTES: | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 10

RAW MATERIALS

Consolidated

Final printing

| DOMESTIC | MAIN SUPPLIERS | IMPORT | MAIN SUPPLIERS | DOM. SUBS. | PRODUCTION COST (%) |
|---------------|----------------|--------|----------------|------------|---------------------|
| NOT AVAILABLE | | | | | |
| | | | | | |
| NOTES : | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11

DOMESTIC SALES - MAIN SERVICES -

(Thousand Pesos)

Consolidated

Final printing

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SALES | | MARKET | MAIN | |
|-----------------------|------------------|--------|-----------|-------------|--------|------------|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | (%) | TRADEMARKS | CUSTOMERS |
| LOCAL SERVICE | | | | 56,021,047 | | | |
| LONG DISTANCE SERVICE | | | | 19,000,777 | | | |
| INTERCONNECTION | | | | 18,719,107 | | | |
| CORPORATE NETWORKS | | | | 11,279,777 | | | |
| INTERNET | | | | 9,821,977 | | | |
| OTHERS | | | | 5,670,975 | | | |
| TOTAL | | | | 120,513,660 | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11b

FOREIGN SALES - MAIN SERVICES -

(Thousand Pesos)

Consolidated

Final printing

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SALES | | DESTINATION | MAIN | |
|-----------------------|------------------|--------|-----------|------------|-------------|------------|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| | | | | | | | |
| NET SETTLEMENT | | | | 2,633,386 | | | |
| LOCAL SERVICE | | | | 932,072 | | | |
| LONG DISTANCE SERVICE | | | | 13,945,190 | | | |
| INTERCONNECTION | | | | 479,920 | | | |
| CORPORATE NETWORKS | | | | 0 | | | |
| INTERNET | | | | 0 | | | |
| OTHERS | | | | 297,729 | | | |
| TOTAL | | | | 18,288,297 | | | |
| NOTES: | | | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 13

PROJECT INFORMATION

(Thousand Pesos)

Consolidated

Final printing

| ITEM | Thousand Mexican Pesos | | | | |
|---|----------------------------|-----------------|-------------------|-------------------|-----------------|
| | 4th. Quarter 04 Jul-Sep | % of Advance | Total 2004 | Budget 2004 | % of Advance |
| DATA | 952,685 | 30.9 | 2,821,844 | 3,082,007 | 91.6 |
| INTERNAL PLANT | 1,241,442 | 35.4 | 3,507,638 | 3,506,865 | 100.0 |
| OUTSIDE PLANT | 1,732,702 | 35.2 | 4,749,970 | 4,925,817 | 96.4 |
| TRANSMISSION NETWORK | 1,773,995 | 44.6 | 3,790,983 | 3,979,679 | 95.3 |
| SYSTEMS | 392,473 | 62.8 | 599,456 | 624,669 | 96.0 |
| OTHERS | 1,020,964 | 32.4 | 1,850,591 | 3,153,882 | 58.7 |
| TOTAL INVESTMENT TELMEX MEXICO | 7,114,261 | 36.9 | 17,320,482 | 19,272,919 | 89.9 |
| LATINOAMERICA | 946,282 | 33.7 | 1,565,320 | 2,806,954 | 55.8 |
| TOTAL INVESTMENT | 8,060,543 | 36.5 | 18,885,802 | 22,079,873 | 85.5 |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 14

TRANSACTIONS IN FOREIGN CURRENCY AND EXCHANGE OF FINANCIAL STATEMENTS FROM FOREIGN OPERATIONS

Consolidated

Final printing

Basis of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries located in the United States of America (U.S.A.) were exchanged into Mexican pesos in conformity with Mexican Accounting Principles Bulletin B-15, *Transactions in Foreign Currency and Exchange of Financial Statements of Foreign Operations*, issued by the Mexican Institute of Public Accountants (IMCP), as follows:

All balance sheet amounts, except for stockholders' equity, were translated at the prevailing exchange rate at year-end; stockholders' equity accounts were exchanged at the prevailing exchange rate at the time capital contributions were made and earnings were generated. The statement of income amounts were translated at the prevailing exchange rate at the end of the reporting period. The effect of inflation and changes in exchange rates were not material and are presented as part of the result from holding of non-monetary assets.

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

INTEGRATION OF PAID CAPITAL STOCK

Consolidated

Final printing

| SERIES | NOMINAL VALUE | VALID CUPON | NUMBER OF SHARES | | | | CAPITAL STOCK | |
|--------|------------------|----------------|------------------|---------------------|---------|------------------------|------------------|----------|
| | | | FIXED PORTION | VARIABLE PORTION | MEXICAN | PUBLIC SUBSCRIPTION | (Thousand Pesos) | |
| | | | | | | | FIXED | VARIABLE |

| | | | | | | | | |
|-------|---------|--|----------------|---|---------------|---------------|---------|---|
| A | 0.02500 | | 252,228,494 | 0 | | 252,228,494 | 6,306 | |
| AA | 0.02500 | | 4,063,417,276 | 0 | 4,063,417,276 | 0 | 101,585 | |
| L | 0.02500 | | 7,516,806,385 | 0 | | 7,516,806,385 | 187,920 | |
| TOTAL | 0.02500 | | 11,832,452,155 | 0 | 4,063,417,276 | 7,769,034,879 | 295,811 | 0 |

TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING DATE OF THE INFORMATION:

| | | | | | | | | |
|--|----------------|--|--|--|--|--|--|--|
| | 11,832,452,155 | | | | | | | |
|--|----------------|--|--|--|--|--|--|--|

SHARES PROPORTION BY:

| | | | | | | | | |
|----------|--|--|--|--|--|--|--|--|
| CPO'S : | | | | | | | | |
| T.VINC.: | | | | | | | | |
| ADRS's : | | | | | | | | |
| GDRS's : | | | | | | | | |
| ADS's : | | | | | | | | |
| GDS's : | | | | | | | | |

REPURCHASE OF OWN SHARES

| | SERIES | NUMBER OF SHARES | MARKET VALUE OF THE SHARE | | | | |
|--------|--------|------------------|---------------------------|------------|---------|--|--|
| | | | AT REPURCHASE | AT QUARTER | | | |
| | A & L | 709,542,600 | 19.6422 | | 19.7588 | | |
| NOTES: | | | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

GENERAL INFORMATION

ISSUER GENERAL INFORMATION

| | |
|----------------|-----------------------------------|
| COMPANY: | TELEFONOS DE MEXICO, S.A. DE C.V. |
| ADDRESS: | PARQUE VIA 198, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 12 12 |
| FAX: | |
| E-MAIL: | |
| INTERNET PAGE: | www.telmex.com |

ISSUER FISCAL INFORMATION

| | |
|-----------------------|---------------------------------|
| TAX PAYER FEDERAL ID: | TME 840315KT6 |
| FISCAL ADDRESS: | PARQUE VIA 198, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |

PAYMENT RESPONSIBLE

| | |
|----------|--|
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH FLOOR OFFICE 501, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | |

| | |
|------------|---------------------|
| TELEPHONE: | MEXICO, D.F. |
| FAX: | 52 22 53 95 |
| E-MAIL: | 52 50 80 54 |
| | erosendo@telmex.com |

OFFICERS INFORMATION

| | |
|---------------|-------------------------------|
| POSITION BMV: | CHAIRMAN OF THE BOARD |
| POSITION: | CHAIRMAN OF THE BOARD |
| NAME: | LIC. CARLOS SLIM DOMIT |
| ADDRESS: | CALVARIO NUM 100 COL. TLALPAN |
| ZIP: | 14000 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 53 25 98 01 |
| FAX: | 55 73 31 77 |
| E-MAIL: | slimc@sanborns.com |

| | |
|---------------|---|
| POSITION BMV: | CHIEF EXECUTIVE OFFICER |
| POSITION: | CHIEF EXECUTIVE OFFICER |
| NAME: | ING. JAIME CHICO PARDO |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1001, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 55 46 15 46 & 52 22 51 52 |
| FAX: | 57 05 00 39 |
| E-MAIL: | |

| | |
|---------------|---|
| POSITION BMV: | CHIEF FINANCIAL OFFICER |
| POSITION: | CHIEF FINANCIAL OFFICER |
| NAME: | ING. ADOLFO CEREZO PEREZ |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1016, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 57 80 & 52 22 51 44 |
| FAX: | 52 55 15 76 |
| E-MAIL: | acerezo@telmex.com |

| | |
|---------------|---|
| POSITION BMV: | QUATERLY FINANCIAL INFORMATION RESPONSIBLE |
| POSITION: | COMPTROLLER |
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 501, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 95 |
| FAX: | 52 50 80 54 |
| E-MAIL: | erosendo@telmex.com |

| | |
|---------------|---|
| POSITION BMV: | RESPONSIBLE FOR SENDING INFORMATION THROUGH EMISNET |
| POSITION: | SHAREHOLDER SERVICES MANAGER |
| NAME: | LIC. MIGUEL ANGEL PINEDA CATALAN |
| ADDRESS: | PARQUE VIA 198 - 2 ND . FLOOR OFFICE 202, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |

| | |
|------------|--------------------|
| TELEPHONE: | 52 22 53 22 |
| FAX: | 55 46 21 11 |
| E-MAIL: | mpineda@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | LEGAL DIRECTOR |
| POSITION: | LEGAL DIRECTOR |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 14 25 & 52 22 57 42 |
| FAX: | 55 46 43 74 |
| E-MAIL: | smedinan@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | SECRETARY OF BOARD OF DIRECTORS |
| POSITION: | SECRETARY OF BOARD OF DIRECTORS |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 14 25 & 52 22 57 42 |
| FAX: | 55 46 43 74 |
| E-MAIL: | smedinan@telmex.com |

| | |
|---------------|---|
| POSITION BMV: | RESPONSIBLE OF PROVIDE INFORMATION TO INVESTORS |
| POSITION: | INVESTORS RELATIONS MANAGER |
| NAME: | LIC. ALEJANDRO MARTINEZ ALTAMIRANO |

| | |
|------------|--|
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | amaltami@telmex.com & ri@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | RESPONSIBLE FOR SENDING FINANCIAL INFORMATION THROUGH EMISNET |
| POSITION: | COMPTROLLER |
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 501, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 95 |
| FAX: | 52 50 80 54 |
| E-MAIL: | erosendo@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | RESPONSIBLE FOR SENDING RELEVANT INFORMATION THROUGH EMISNET |
| POSITION: | INVESTORS RELATIONS MANAGER |
| NAME: | LIC. ALEJANDRO MARTINEZ ALTAMIRANO |
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |

E-MAIL: amaltami@telmex.com& ri@telmex.com

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

Consolidated

Final printing

| POSITION | NAME | | | |
|-----------------------|-------|--------------|--------------|----------|
| | | | | |
| CHAIRMAN OF THE BOARD | LIC. | CARLOS | SLIM | DOMIT |
| | | | | |
| VICEPRESIDENT | ING. | JAIME | CHICO | PARDO |
| VICEPRESIDENT | C.P. | JUAN ANTONIO | PEREZ | SIMON |
| | | | | |
| HONORARY BOARD MEMBER | ING. | CARLOS | SLIM | HELU |
| | | | | |
| BOARD PROPIETORS | SR. | EMILIO | AZCARRAGA | JEAN |
| BOARD PROPIETORS | ING. | ANTONIO | COSIO | ARIÑO |
| BOARD PROPIETORS | MTRA. | AMPARO | ESPINOSA | RUGARCIA |
| BOARD PROPIETORS | ING. | ELMER | FRANCO | MACIAS |
| BOARD PROPIETORS | C.P. | RAFAEL | KALACH | MIZRAHI |
| BOARD PROPIETORS | SR. | ROBERT | L. | HENRICHS |
| BOARD PROPIETORS | LIC. | ANGEL | LOSADA | MORENO |
| BOARD PROPIETORS | LIC. | RICARDO | MARTIN | BRINGAS |
| BOARD PROPIETORS | SR. | ROMULO | O FARRIL JR. | |

| | | | | |
|---------------------------------|------|---------------|-----------|-----------|
| BOARD PROPIETORS | SR. | RICHARD | P. | RESNICK |
| BOARD PROPIETORS | LIC. | FERNANDO | SENDEROS | MESTRE |
| BOARD PROPIETORS | LIC. | MARCO ANTONIO | SLIM | DOMIT |
| BOARD PROPIETORS | SR. | JAMES | W. | CALLAWAY |
| BOARD ALTERNATES | SR. | JAIME | ALVERDE | GOYA |
| BOARD ALTERNATES | LIC. | CARLOS | BERNAL | VEREA |
| BOARD ALTERNATES | SR. | JORGE A. | CHAPA | SALAZAR |
| BOARD ALTERNATES | ING. | ANTONIO | COSIO | PANDO |
| BOARD ALTERNATES | C.P. | ANTONIO | DEL VALLE | RUIZ |
| BOARD ALTERNATES | LIC. | ARTURO | ELIAS | AYUB |
| BOARD ALTERNATES | SRA. | ANGELES | ESPINOSA | YGLESIAS |
| BOARD ALTERNATES | LIC. | JORGE C. | ESTEVE | RECOLONS |
| BOARD ALTERNATES | ING. | AGUSTIN | FRANCO | MACIAS |
| BOARD ALTERNATES | C.P. | HUMBERTO | GUTIERREZ | OLVERA Z. |
| BOARD ALTERNATES | LIC. | JOSE | KURI | HARFUSH |
| BOARD ALTERNATES | LIC. | FEDERICO | LAFFAN | FANO |
| BOARD ALTERNATES | C.P. | FRANCISCO | MEDINA | CHAVEZ |
| BOARD ALTERNATES | ING. | BERNARDO | QUINTANA | ISAAC |
| BOARD ALTERNATES | LIC. | PATRICK | SLIM | DOMIT |
| BOARD ALTERNATES | LIC. | FERNANDO | SOLANA | MORALES |
| BOARD ALTERNATES | LIC. | EDUARDO | VALDES | ACRA |
| STATUTORY AUDITOR | C.P. | ALBERTO | TIBURCIO | CELORIO |
| ALTERNATE STATUTORY AUDITOR | C.P. | FERNANDO | ESPINOSA | LOPEZ |
| SECRETARY OF BOARD OF DIRECTORS | LIC. | SERGIO | MEDINA | NORIEGA |
| ASISTANT SECRETARY | LIC. | RAFAEL | ROBLES | MIAJA |

MEXICAN STOCK EXCHANGE

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 4 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

DECLARATION BY THE COMPANY'S OFFICERS THAT ARE RESPONSIBLE FOR THE INFORMATION

Consolidated

Final printing

DECLARATION BY THE COMPANY'S OFFICERS THAT ARE RESPONSIBLE FOR THE INFORMATION

I (We) hereby swear, in the scope of my (our) functions, that I (we) prepared the financial information related with the Issuer's Quarter Report supplied herein, which, to my (our) knowledge, reasonably reflect the situation of the Issuer. I (We) also hereby swear that I (we) have no knowledge of any relevant information that has been omitted or falsely represented in this Quarter Report, or that such report contains information that could mislead the investors.

ING. ADOLFO CEREZO PEREZ
CHIEF FINANCIAL OFFICER

C.P. EDUARDO ROSENDO GIRARD
COMPROLLER

MEXICO CITY, February 3, 2005.
